Important Notice From the State of Colorado About Your Prescription Drug Coverage and Medicare

Please read this notice carefully, and keep it where you can find it. This notice has information about your current prescription drug coverage with the State of Colorado through Great-West Healthcare and new prescription drug coverage available soon for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

1. **Starting January 1, 2006, new Medicare prescription drug coverage will be available to everyone with Medicare.**

2. **The State of Colorado has determined that the prescription drug coverage offered in the Great-West Healthcare PPO- H Plan is, on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay. <u>This is important, because for most people, enrolling in Medicare prescription drug coverage before May 15, 2006 means you will get more assistance with drug costs.</u>**

3. **You have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you enroll. Read this notice carefully - it explains your options.**

You may have heard about Medicare's new prescription drug coverage, and wondered how it would affect you. Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug coverage will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

You might want to consider enrolling in Medicare prescription drug coverage.

Because the coverage you have with the State of Colorado under the Great-West HealthCare PPO-H Plan is on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay, you might want to consider enrolling in a Medicare prescription drug plan. You can first join between November 15, 2005 and May 15, 2006. **This is important, because if you do not get Medicare prescription drug coverage (or equivalent coverage) before May 15, 2006, you may have to pay a higher premium if you join later. You will pay that higher premium as long as you have Medicare prescription drug coverage.**

If you don't enroll in Medicare prescription drug coverage by May 15, 2006 and change your mind later, you may pay more.

If you wait until after May 15, 2006, to enroll, your monthly premium for a Medicare prescription drug plan could be much higher than it would have been if you had enrolled by May 15, 2006. If, after May 15, 2006, you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your premium will go up at least 1% per month for every month after May 15, 2006 that you did not have that coverage. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay.

If you don't enroll in a Medicare prescription drug plan by May 15, 2006, you may also have to wait to enroll.

Generally, after May 15, 2006, you can only join a Medicare prescription drug plan between November 15 and December 31 of any year. This may mean the number of months you have to wait for coverage will be longer, which could make your premium higher.

For an explanation of the prescription drug coverage option(s) that beneficiaries will have available to them when the Medicare Part D benefit becomes available visit www.medicare.gov or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

In addition, your current coverage pays for other health expenses, in addition to prescription drugs. You will still be eligible to receive all of you current health and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan, however benefits will be coordinated with your Medicare coverage.

You need to make a decision. For more information about this notice or your current prescription drug coverage…

When you make your decision, you should also compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

Contact the State of Colorado, Department of Human Resources, Employee Benefits Unit 303-866-2323 for further information. NOTE: You may receive this notice at other times in the future such before the next period you can enroll in Medicare prescription drug coverage, and if this coverage changes. You also may request a copy.

For more information about your options under Medicare prescription drug coverage…

More detailed information about Medicare plans that offer prescription drug coverage will be available in October 2005 through the "Medicare & You 2006" handbook from Medicare. You may also be contacted directly by Medicare-approved prescription drug plans.. You'll get a copy of the handbook in the mail. You can also get more information about Medicare prescription drug plans from these places:

- Visit www.medicare.gov for personalized help,
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

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Name of Entity/Sender: State of Colorado, Department of Human Resources
Contact--Position/Office: Employee Benefits Unit
Address: 1313 Sherman Street, First Floor
Phone Number: (303) 866-2323